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INDIANA UTILITY  
REGULATORY COMMISSION

INDIANA UTILITY REGULATORY COMMISSION

GENERAL INSTRUCTIONS AND FORMS

FOR

SMALL MUNICIPAL WATER UTILITY-CASH BASIS

RATE CASE

ACCOUNTING SECTION

# INSTRUCTIONS

## COMPARATIVE RECEIPTS AND DISBURSEMENTS STATEMENT (Page 3 & 4)

Column A should reflect data for the "test year." The test year selected should be the most recent twelve month period and serves as a basis for determining the financial position of the utility and the appropriate level for the utility's rates. The test year must not be any older than six months from the time you file your accounting data and not include any partial months. Test years ending on a calendar quarter are preferred. Col. B should be the next, most recent calendar year available.

## ANALYSIS OF UTILITY PLANT IN SERVICE (Page 5)

See footnotes on the schedule for instructions.

## ANALYSIS OF CASH OPERATING FUND (Page 6)

Line 1 should be the date of the beginning of the Comparative Receipts and Disbursements Statement. Line 15 should reflect the ending date of the test year.

## ANALYSIS OF BOND AND INTEREST FUND (Page 7)

Follow the above instructions for the Cash Operating Fund.

## ANALYSIS OF DEPRECIATION FUND (Page 8)

Follow the above instructions for the Cash Operating Fund.

## ANALYSIS OF METER DEPOSIT FUND (Page 9)

Follow the above instructions for the Cash Operating Fund.

## ANALYSIS OF OTHER FUNDS (Page 10)

Follow the above instructions for the Cash Operating Fund.

## PROFORMA OPERATING RECEIPTS AND DISBURSEMENTS STATEMENT (Page 11)

Column A, the test year, should be taken from Column A of Page 3, the Comparative Receipts and Disbursements Statement. Column B of this page reflects the fixed, known and measurable adjustments that are detailed on the pages following this schedule. Column C is the sum of Column A and Column B. Column D contains adjustments to revenues and taxes which are necessary to reflect the effects of the proposed rate increase. Column E is the sum of Column C and Column D.

## DETAIL OF ADJUSTMENTS (Pages 12 through 15)

These are sample adjustments that you may use. If your circumstances require the use of another format, feel free to use your own format. Additionally, you might not have adjustments to all of the expenses listed, or you may have other adjustments to accounts that are not shown as typical adjustments. If you use your own format, please show as much detail as possible.

## SCHEDULE OF PRESENT AND PROPOSED RATES (Page 16)

This schedule is somewhat self-explanatory. The tracker column, or Column B, would only be filled-out if the utility purchases all, or part of its water from another utility.

# INSTRUCTIONS

## REVENUE REQUIREMENTS STATEMENT (Page 17 through 19)

This schedule itemizes and totals the utility's statutory revenue requirements. Proforma operating revenues at proposed rates, as calculated in Column E of the Proforma Operating Receipts and Disbursements Statement, along with available interest income, should not exceed the total revenue requirements calculated on this schedule.

## Operation and Maintenance Expenses and Taxes Other Than Income Taxes

These numbers are derived from Page 11, the Proforma Receipts and Disbursements Statement.

## Debt Service

The revenue requirement should include the principal and interest payments for all of the legal obligations of the utility.

## Debt Service Reserve.

Debt service reserve accounts may be funded through rates but the funding shouldn't exceed 10% of the annual principal and interest payments for each debt issue.

## Working Capital

This calculation was adapted from the Federal Energy Regulatory Commission's generic "45 day" working capital computation. The purpose of the FERC computation was to estimate the number of dollars a utility has invested in funding the lag between the time payments are due for its expenses and the time collections are received from the utility's customers. 45 days reflects a 30 day billing cycle plus a 15 day grace period for payments. We divide by eight because there are approximately eight 45-day periods in a year. The calculation on Page 17 provides for the petitioning utility to have enough working capital on hand to meet 45 days of expenses or to build that amount up over a three year period. Purchased power and purchased water are excluded expenses because they are assumed to be on a similar billing cycle as the petitioning utility.

## Payment in Lieu of Taxes "PILT"

The purpose of Payment in Lieu of taxes is to compensate the municipality for property taxes which would be due if the utility were privately owned. PILT may be transferred to the municipal general fund if the legislative body elects to do so.

## Return on Plant

This amount is determined by the utility board but should not be excessive. The calculation on Page 19 is designed to test the reasonableness of the dollar amount the utility requested for return on plant. It is an indirect test. Sometimes the test will show that zero additional funds requested is too much. In that case, no additional funds should be requested. In other instances, a comparatively low rate of return may result in a seemingly high dollar amount in relation to the utility's other revenue requirements. The prevailing interest rates on U.S. Treasury securities should be considered when determining the reasonableness of the rate of return produced by this test.

## Extensions and Replacements

Funds to be provided through rates for extensions and replacements of utility plant is calculated in the Engineering Section of this report.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
COMPARATIVE RECEIPTS AND DISBURSEMENTS STATEMENT  
FOR THE YEARS ENDED 5/31/2006 AND 12/31/2005

Line No.		Year Ended 5/31/2006 <u>Col. A</u>	Year Ended 12/31/2005 <u>Col. B</u>
	<u>OPERATING RECEIPTS</u>		
	<u>SALES OF WATER</u>		
1.	Unmetered sales	\$ -	\$ -
2.	Residential sales	173,422	172,820
3.	Commercial sales	-	-
4.	Industrial sales	-	-
5.	Sales to public authorities	-	-
6.	Multiple family dwellings	-	-
7.	Fire protection-Public	27,468	26,147
8.	Fire protection-Private	-	-
9.	Irrigation	-	-
10.	Sales for resale	-	-
11.	Interdepartmental sales	-	-
12.	Total Sales of Water	<u>\$ 200,890</u>	<u>\$ 198,967</u>
	<u>OTHER OPERATING RECEIPTS</u>		
13.	Forfeited discounts	\$ -	\$ -
14.	Miscellaneous service revenues	-	-
15.	Rents from water property	-	-
16.	Interdepartmental rents	-	-
17.	Penalties	1,580	1,040
18.	Total Other Operating Receipts	<u>\$ 1,580</u>	<u>\$ 1,040</u>
19.	Total Operating Receipts	<u>\$ 202,470</u>	<u>\$ 200,007</u>
	<u>OPERATING DISBURSEMENTS</u>		
20.	Salaries and wages-Employees	\$ 68,388	\$ 65,934
21.	Salaries and wages-Officers and directors	600	600
22.	Employee pensions and benefits	15,652	23,603
23.	Purchased water	99,753	98,546
24.	Purchased power	2,984	2,916
25.	Fuel for power production	-	-
26.	Chemicals	-	-
27.	Materials and supplies	29,131	21,744
28.	Contractual services	10,882	8,019
29.	Rents	-	-
30.	Transportation expense	413	449
31.	Insurance expense	4,071	502
32.	Regulatory commission expense	589	-
33.	Miscellaneous expense	1,444	1,399
34.	FICA Tax	5,195	5,221
35.	Utility receipts tax	2,262	3,274
36.	Total Operating Disbursements	<u>\$ 241,364</u>	<u>\$ 232,207</u>
37.	Net Operating Receipts (Disbursements)	<u>\$ (38,894)</u>	<u>\$ (32,200)</u>

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
COMPARATIVE RECEIPTS AND DISBURSEMENTS STATEMENT  
FOR THE YEARS ENDED 5/31/2006 AND 12/31/2005

Line No.		Year Ended 5/31/2006 Col. A	Year Ended 12/31/2005 Col. B
	<u>OTHER RECEIPTS</u>		
38.	Customer deposits received	\$ -	\$ -
39.	Bonds or loans proceeds	-	-
40.	Interest received	9,614	9,730
41.	Sales tax collected	13,257	10,156
42.	Investments redeemed	-	-
43.	Other receipts	7,677	9,547
		<hr/>	<hr/>
44.	Total Other Receipts	\$ 30,548	\$ 29,433
		<hr/>	<hr/>
	<u>OTHER DISBURSEMENTS</u>		
45.	Customer deposits refunded	-	-
46.	Bonds or loans paid	-	-
47.	Interest paid	-	-
48.	Sales tax remitted	7,976	7,050
49.	Investments purchased	-	-
50.	New construction-Additions and retirements	194,698	120,703
51.	Other disbursements	-	-
		<hr/>	<hr/>
52.	Total Other Disbursements	\$ 202,674	\$ 127,753
		<hr/>	<hr/>
53.	Net Receipts (Disbursements)	<u>\$ (211,020)</u>	<u>\$ (130,520)</u>

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
ANALYSIS OF UTILITY PLANT IN SERVICE  
FROM JANUARY 1, 2005 TO MAY 31, 2006

Line No.		Beginning Balance Col. A	Additions Col. B	Retirements Col. C	Other Col. D	Year End Balance Col. E	Additions Col. F	Retirements Col. G	Other Col. H	Balance at End of Test Year Col. I
<u>UTILITY PLANT</u>										
1.	Land and land rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Structures and improvements	585,514	-	-	-	585,514	-	-	-	585,514
3.	Collection and impounding reservoirs	-	-	-	-	-	-	-	-	-
4.	Lake, river and other intakes	-	-	-	-	-	-	-	-	-
5.	Wells and springs	-	-	-	-	-	-	-	-	-
6.	Infiltration galleries and tunnels	-	-	-	-	-	-	-	-	-
7.	Supply mains	-	-	-	-	-	-	-	-	-
8.	Power generation equipment	-	-	-	-	-	-	-	-	-
9.	Pumping equipment	-	-	-	-	-	-	-	-	-
10.	Water treatment equipment	-	-	-	-	-	-	-	-	-
11.	Distribution reservoirs and standpipes	-	-	-	-	-	-	-	-	-
12.	Transmission and distribution mains	379,404	114,202	-	-	493,606	85,859	-	-	579,465
13.	Services	-	-	-	-	-	-	-	-	-
14.	Meters and meter installations	-	-	-	-	-	-	-	-	-
15.	Hydrants	-	-	-	-	-	-	-	-	-
16.	Other plant and misc. equipment	-	-	-	-	-	-	-	-	-
<u>GENERAL PLANT</u>										
17.	Office furniture and equipment	27,564	15,613	-	-	43,177	-	-	-	43,177
18.	Transportation equipment	-	-	-	-	-	-	-	-	-
19.	Stores equipment	-	-	-	-	-	-	-	-	-
20.	Tools, shop and garage equipment	27,311	3,846	-	-	31,157	-	-	-	31,157
21.	Laboratory equipment	-	-	-	-	-	-	-	-	-
22.	Power operated equipment	-	-	-	-	-	-	-	-	-
23.	Communication equipment	-	-	-	-	-	-	-	-	-
24.	Miscellaneous equipment	-	-	-	-	-	-	-	-	-
25.	Other tangible property	-	-	-	-	-	-	-	-	-
26.	Total Utility Plant in Service	<u>\$ 1,019,793</u>	<u>\$ 133,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,153,454</u>	<u>\$ 85,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,239,313</u>

Note: Many cash-basis water utilities do not keep detailed plant records. If this is the case with you, please provide the latest known plant valuation along with the figures for accumulated depreciation. Then note all plant additions since the latest valuation. The State Board of Accounts normally reports the utility plant and accumulated depreciation valuation in their audit reports.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
ANALYSIS OF CASH OPERATING FUND  
FROM JANUARY 1, 2005 TO MAY 31, 2006

Line  
No.

1.	<u>BALANCE JANUARY 1, 2005</u> (1)	\$ 362,438
	<u>YEAR 2005</u>	
2.	Operating receipts	200,007
3.	Other receipts	28,113
4.	Operating disbursements	(232,207)
5.	Other disbursements	(7,050)
6.	Transfer to: (Depreciation Fund)	(117,468)
7.	Transfer from: (Fund name)	-
8.	<u>BALANCE JANUARY 1, 2006</u> (2)	\$ 233,833
	<u>YEAR 2006</u>	
9.	Operating receipts	73,166
10.	Other receipts	9,026
11.	Operating disbursements	(73,779)
12.	Other disbursements	(4,625)
13.	Transfer to: (Depreciation Fund)	(45,000)
14.	Transfer from: (Fund name)	-
15.	BALANCE MAY 31, 2006 (3)	<u>\$ 192,621</u>

- (1) This should be the date of the beginning of the first year.  
(2) This should be the date of the end of the first year  
(3) This should be the date of the end of the test year.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
ANALYSIS OF BOND AND INTEREST FUND  
FROM JANUARY 1, 2005 TO MAY 31, 2006

Line  
No.

1.	<u>BALANCE JANUARY 1, 2005</u> (1)	\$ -
	<u>YEAR 2005</u>	
2.	Interest paid	-
3.	Principal paid	-
4.	Interest received	-
5.	Investment activity	-
6.	Transfer to: (Fund name)	-
7.	Transfer from: (Fund name)	
8.	Other (Please detail below)	
9.	<u>BALANCE JANUARY 1, 2006</u> (2)	\$ -
	<u>YEAR 2006</u>	
10.	Interest paid	-
11.	Principal paid	-
12.	Interest received	
13.	Investment activity	
14.	Transfer to: (Fund name)	-
15.	Transfer from: (Fund name)	-
16.	Other (Please detail below)	-
17.	<u>BALANCE MAY 31, 2006</u> (3)	\$ -

- (1) This should be the date of the beginning of the first year.  
(2) This should be the date of the end of the first year  
(3) This should be the date of the end of the test year.



OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
ANALYSIS OF DEPRECIATION FUND  
FROM JANUARY 1, 2005 TO MAY 31, 2006

Line  
No.

1.	<u>BALANCE JANUARY 1, 2005</u> (1)	\$ 46,795
	<u>YEAR 2005</u>	
2.	Interest received	1,320
3.	Investment activity	-
4.	New construction-Additions and retirements	(120,703)
5.	Other (Please detail below)	-
6.	Transfer to: (Fund name)	-
7.	Transfer from: (Operating Fund)	<u>117,468</u>
8.	<u>BALANCE JANUARY 1, 2006</u> (2)	\$ 44,880
	<u>YEAR 2006</u>	
9.	Interest received	775
10.	Investment activity	-
11.	New construction-Additions and retirements	(85,859)
12.	Other (Please detail below)	-
13.	Transfer to: (Fund name)	-
14.	Transfer from: (Operating Fund)	<u>45,000</u>
15.	BALANCE MAY 31, 2006 (3)	<u>\$ 4,796</u>

- (1) This should be the date of the beginning of the first year.  
(2) This should be the date of the end of the first year  
(3) This should be the date of the end of the test year.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
ANALYSIS OF METER DEPOSIT FUND  
FROM JANUARY 1, 2005 TO MAY 31, 2006

Line  
No.

1.	<u>BALANCE JANUARY 1, 2005</u> (1)	\$ -
	<u>YEAR 2005</u>	
2.	Customer deposits received	-
3.	Customer deposits refunded	-
4.	Other (Please detail below)	-
5.	<u>BALANCE JANUARY 1, 2006</u> (2)	<u>\$ -</u>
	<u>YEAR 2006</u>	
6.	Customer deposits received	-
7.	Customer deposits refunded	-
8.	Other (Please detail below)	<u>-</u>
9.	BALANCE MAY 31, 2006 (3)	<u><u>\$ -</u></u>

- (1) This should be the date of the beginning of the first year.  
(2) This should be the date of the end of the first year  
(3) This should be the date of the end of the test year.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
ANALYSIS OF OTHER FUND  
FROM JANUARY 1, 2005 TO MAY 31, 2006

Line  
No.

1.	<u>BALANCE JANUARY 1, 2005</u> (1)	\$ -
	<u>YEAR 2005</u>	
2.	Receipts	-
3.	Disbursements	-
5.	Other (Please detail below)	-
6.	Transfer to: (Fund name)	-
7.	Transfer from: (Fund name)	-
8.	<u>BALANCE JANUARY 1, 2006</u> (2)	\$ -
	<u>YEAR 2006</u>	
9.	Receipts	-
10.	Disbursements	-
11.	Other (Please detail below)	-
12.	Transfer to: (Fund name)	-
13.	Transfer from: (Fund name)	-
15.	<u>BALANCE MAY 31, 2006</u> (3)	\$ -

- (1) This should be the date of the beginning of the first year.  
(2) This should be the date of the end of the first year  
(3) This should be the date of the end of the test year.

NOTES:

- 1.) Indicate the latest known plant valuation in total if not available in detail.
- 2.) Note all additions to plant for each year subsequent to the valuation.
- 3.) Indicate what the total is for the depreciation reserve for the same date as "1" above.

4. Accumulated depreciation for 2006 is unavailable at this time.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
PRO FORMA OPERATING RECEIPTS AND DISBURSEMENTS STATEMENT

Line No.		Test Year Col. A	Adjustments Col. B		Adjusted Present Rates Col. C	Adjustments Col. D	Pro Forma Proposed Rates Col. E
<u>OPERATING RECEIPTS</u>							
1.	Sales of water	\$ 200,890	\$ 912 (1)	\$	201,802	\$ 67,604 (10)	\$ 269,406
2.	Other operating receipts	1,580	-		1,580	-	1,580
3.	Total Operating Receipts	<u>\$ 202,470</u>	<u>\$ 912</u>		<u>\$ 203,382</u>	<u>\$ 67,604</u>	<u>\$ 270,986</u>
<u>OPERATING DISBURSEMENTS</u>							
4.	Salaries and wages-Employees	\$ 68,388	\$ (5,615) (2)	\$	62,773	\$ -	\$ 62,773
5.	Salaries and wages-Officers and directors	600	-		600	-	600
6.	Employee pensions and benefits	15,652	(15,652) (3)		-	-	-
7.	Purchased water	99,753	-		99,753	-	99,753
8.	Purchased power	2,984	-		2,984	-	2,984
9.	Fuel for power production	-	-		-	-	-
10.	Chemicals	-	-		-	-	-
11.	Materials and supplies	29,131	(9,200) (4)		19,931	-	19,931
12.	Contractual services	10,882	7,910 (5)(6)		18,792	-	18,792
13.	Rents	-	-		-	-	-
14.	Transportation expense	413	-		413	-	413
15.	Insurance expense	4,071	407 (7)		4,478	-	4,478
16.	Regulatory commission expense	589	-		589	-	589
17.	Miscellaneous expense	1,444	-		1,444	-	1,444
18.	FICA Tax	5,195	(1,540) (8)		3,655	-	3,655
19.	Utility receipts tax	2,262	671 (9)		2,933	946 (11)	3,879
20.	Total Operating Disbursements	<u>\$ 241,364</u>	<u>\$ (23,019)</u>		<u>\$ 218,345</u>	<u>\$ 946</u>	<u>\$ 219,291</u>
21.	Net Operating Receipts (Disb.)	<u>\$ (38,894)</u>	<u>\$ 23,931</u>		<u>\$ (14,963)</u>	<u>\$ 66,658</u>	<u>\$ 51,695</u>

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
DETAIL OF TYPICAL ADJUSTMENTS

(1) TO ADJUST OPERATING REVENUES TO REFLECT NORMALIZATION FOR MINIMUM BILLINGS.

Minimum billings during test year (per utility personnel) (based on 8,570 gallons per quarter)	150
Times: Tracker adjustment for minimum billings (\$0.71 per 1,000 gallons) (\$0.71 x 8.570)	\$ 6.08
Adjustment	<u>\$ 912</u>

(2) TO ADJUST OPERATING EXPENSES TO REFLECT AN INCREASE IN PAYROLL EXPENSE FOR PERSONNEL.

	<u>Employee Name</u>	<u>Employee Title</u>	<u>Pay Through</u>	<u>Divided by</u>	<u>Monthly Pay</u>	<u>Times</u>	<u>Pro Forma</u>	<u>Less: Test</u>	<u>Adjustment</u>
	<u>Col. A</u>	<u>Col. B</u>	<u>8/20/2006</u>	<u>8.5 Months</u>	<u>Col. E</u>	<u>12 Months</u>	<u>Payroll</u>	<u>Year Payroll</u>	<u>Col. I</u>
			<u>Col. C</u>	<u>Col. D</u>		<u>Col. F</u>	<u>Col. G</u>	<u>Col. H</u>	
1.	Jim Kopp	Superintendent	\$ 23,090	8.50	\$ 2,716	12.00	\$ 32,598		
2.	Chuck Litzkow	Labor	8,585	8.50	1,010	12.00	12,120		
3.	Terry Easton *	Summer Labor	2,455	12.00	205	12.00	2,455		
4.	Jacqueline Remmers	Superintendent	-	8.50	-	12.00	-		
5.	Town Contract	Town					15,600		
6.	Totals						<u>\$ 62,773</u>	<u>\$ (68,388)</u>	<u>\$ (5,615)</u>

\* Summer employee pay is for full year.

(3) TO ADJUST OPERATING EXPENSES TO REFLECT ELIMINATION OF EMPLOYEE PENSIONS AND BENEFITS EXPENSE.

Pro forma pensions and benefits **	\$ -
Less: Jacqueline Remmers test year pensions and benefits	<u>(15,652)</u>
Adjustment	<u>\$ (15,652)</u>

\*\* Jacqueline Remmers has retired so there are no future pensions and benefits.

(4) TO ADJUST OPERATING EXPENSES TO REFLECT A DECREASE IN MATERIALS AND SUPPLIES EXPENSE.

Keystone software package purchased in 2005	\$ 14,000
Amortized over 5 years	<u>5</u>
Annual cost of Keystone software	\$ 2,800
Plus:	
Estimated cost of future Keystone software	10,000
Amortized over 5 years	<u>5</u>
Annual cost of expected Keystone software purchases	<u>2,000</u>
Subtotal	\$ 4,800
Less: Test year software purchases	<u>(14,000)</u>
Adjustment	<u>\$ (9,200)</u>

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
DETAIL OF TYPICAL ADJUSTMENTS

(5) TO ADJUST OPERATING EXPENSES TO REFLECT THE COST OF THIS RATE CASE.

Estimated Rate Case Costs

Accounting fees	\$ 7,500
Total Rate Case Costs	7,500
Amortize over three years	<u>3</u>
Subtotal	2,500
Plus: IURC Annual Report preparation	3,000
Less: Test year expense	<u>(65)</u>
Adjustment	<u><u>\$ 5,435</u></u>

(6) TO ADJUST OPERATING EXPENSES TO REFLECT THE COST OF ADDITIONAL TESTING.

Test year water testing expense	\$ 1,595
Plus: Estimated HTTP tests (\$614 per test, 4 tests per year)	2,456
Less: Test year HTTP tests	<u>(614)</u>
Subtotal	\$ 3,437
Plus: Copper and lead tests (\$400 per test, done every 3 years)	133
Plus: New testing requirements	<u>500</u>
Pro forma testing	4,070
Less: Test year water testing expense	<u>(1,595)</u>
Adjustment	<u><u>\$ 2,475</u></u>

(7) TO ADJUST OPERATING EXPENSES TO REFLECT THE CURRENT COST OF INSURANCE.

<u>Type of Insurance</u>	<u>Current Cost</u>	<u>Test Year Expense</u>	<u>Adjustment</u>
Workman's compensation	\$ 1,563	\$ 1,421	\$ 142
Liability	1,296	1,178	118
Comprehensive	-	-	-
Property	45	41	4
Vehicle	418	380	38
Policy renewal & amendments	<u>1,156</u>	<u>1,051</u>	<u>105</u>
Totals	<u><u>\$ 4,478</u></u>	<u><u>\$ 4,071</u></u>	<u><u>\$ 407</u></u>

(8) TO ADJUST OPERATING EXPENSES TO REFLECT THE PRO FORMA LEVEL OF F.I.C.A. TAX.

Proforma taxable salaries and wages (less Town contract)	\$ 47,773
Times: Tax rate	<u>7.65%</u>
Proforma F.I.C.A. Tax	\$ 3,655
Less: Test year expense	<u>(5,195)</u>
Adjustment	<u><u>\$ (1,540)</u></u>

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
DETAIL OF TYPICAL ADJUSTMENTS

(9) TO ADJUST OPERATING EXPENSES TO REFLECT THE PROFORMA LEVEL OF GROSS RECEIPTS TAX AT PRESENT RATES.

Proforma operating receipts at present rates	\$ 210,471
Less: Exemption	
Public hydrant rental and other interdepartmental transfers	<u>(1,000)</u>
Proforma taxable receipts at present rates	\$ 209,471
Times: tax rate	<u>1.40%</u>
Proforma Gross Receipts tax at present rates	\$ 2,933.00
Less: Test year expense	<u>(2,262)</u>
Adjustment	<u>\$ 671</u>

(10) TO ADJUST OPERATING REVENUES TO REFLECT THE PROPOSED RATE INCREASE.

Adjusted sales of water at present rates	\$ 201,802
Times: Percent of proposed rate increase	<u>33.50%</u>
Adjustment-Increase	<u>\$ 67,604</u>

(11) TO ADJUST OPERATING EXPENSES TO REFLECT THE PROPOSED RATE INCREASE.

<u>Indiana Gross Receipts Tax</u>	
Increase in revenues due to the proposed rate increase	\$ 67,604
Times: Current rate	<u>1.40%</u>
Adjustment-Increase	<u>\$ 946</u>



OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
SCHEDULE OF PRESENT AND PROPOSED RATES

			Present Rates (1) Col. A	Tracker (2) Col. B	Adjusted Present Rates Col. C	Proposed Rates Col. D	Increase *	
							Amount Col. E	Percent Col. F
<b>METERED RATES PER QUARTER</b>								
First	12,000	gallons	\$ 2.79	\$ 0.71	\$ 3.50	\$ 4.48	\$ 0.98	28.00%
Next	12,000	gallons	1.92	0.71	2.63	3.37	0.74	28.14%
Next	30,000	gallons	1.53	0.71	2.24	2.87	0.63	28.13%
Over	54,000	gallons	1.34	0.71	2.05	2.62	0.57	27.80%
<b>MINIMUM RATES PER QUARTER</b>								
Regardless of meter size - 8,570 gallons per quarter			\$ 23.91	\$ -	\$ 23.91	\$ 38.39	\$ 14.48	60.56%
<b>FIRE PROTECTION</b>								
5/8"-3/4"	meter		\$ 10.19	\$ -	\$ 10.19	\$ 13.04	\$ 2.85	27.97%
1"	meter		14.27	-	14.27	18.27	4.00	28.03%
1 1/2"	meter		18.34	-	18.34	23.48	5.14	28.03%
2"	meter		29.55	-	29.55	37.82	8.27	27.99%

(1) Approved during conference minutes on March 11, 1999.

(2) Approved during conference minutes on July 9, 2003.

\* Based on Ordinance No. 710 adopted by the board on January 8, 2007. The board requests only a 28% rate increase to mitigate the rate effect on its customers. The minimum bill was previously calculated in error (omitting the tracker) and is now corrected.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
PRO FORMA CASH REVENUE REQUIREMENTS

Line  
No.

PRO FORMA CASH REVENUE REQUIREMENTS

1.	Operation and maintenance expenses	\$ 211,757
2.	Taxes other than income taxes	7,534
3.	Debt service	-
4.	Debt service reserve	-
5.	Working capital	-
6.	Payment in lieu of taxes (PILT)	-
7.	Return on plant	-
8.	Extensions and replacements	<u>54,714</u>
9.	Pro Forma Cash Revenue Requirements	\$ 274,005
10.	Less: Recurring Interest Income	<u>(3,000)</u>
11.	Net Cash Revenue Requirements	<u><u>\$ 271,005</u></u>
12.	<u>WORKING CAPITAL REQUIREMENT- 45 DAY METHOD</u>	
13.	Proforma operation and maintenance expenses and taxes	\$ 219,291
14.	Less: Purchased water expense	(99,753)
15.	Less: Purchased power expense	<u>(2,984)</u>
16.	Net Applicable Operating Expenses	\$ 116,554
17.	Divide By: Eight	<u>/ 8</u>
18.	Working Capital Requirement	\$ 14,569
19.	Less: Available cash and investments *	<u>(73,431)</u>
20.	Additional Working Capital Needed	\$ (58,862)
21.	Divide By: Three	<u>/ 3</u>
22.	Annual Working Capital Requirement	<u><u>\$(19,621)</u></u>

\* This should include all cash and investments which are available to offset any revenue requirement.

Note: Working capital should not be requested if Line 14 is -0- or negative.

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
DEBT SERVICE REQUIREMENT

Amount of original loan and issue date: \_\_\_\_\_

Interest rates: \_\_\_\_\_

<u>Payment Dates</u>	<u>Principal Outstanding</u>	<u>Principal Retirements</u>	<u>Interest Expense</u>	<u>Annual Debt Service</u>
	\$ -	\$ -	\$ -	\$ -
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Totals		\$ -	\$ -	\$ -

Note: The above payment schedule should be completed for each outstanding indebtedness of the utility and should include a combined schedule of the same.

A. Total interest payable during the next five years	\$ -	
Divide by five years	<u>/ 5</u>	
Average Annual Interest Expense		\$ -
B. Total principal payable during the next five years	\$ -	
Divide by five years	<u>/ 5</u>	
Average Annual Principal Expense		<u>-</u>
Average Annual Debt Service		<u>\$ -</u>

OGDEN DUNES MUNICIPAL WATER UTILITY  
OGDEN DUNES, INDIANA  
NOTES TO THE CASH REVENUE REQUIREMENTS STATEMENT

Line  
No.

PAYMENT IN LIEU OF TAXES

1.	<u>Plant Factor:</u>	Original cost depreciated plus materials and supplies inventory.	\$ -
2.	<u>Net Assessed Valuation:</u>	Divide Plant Factor by three.	\$ -
3.	<u>Tax Rate:</u>	Use municipality's corporate tax rate which can be obtained from the County Auditor's Office.	\$ -
4.	<u>Effective Rate:</u>	Reduce corporate tax rate by 20%.	\$ -
5.	<u>Payment in Lieu of Taxes:</u>	Effective Rate times Net Assessed Valuation.	\$ -

RETURN ON PLANT

6.	Utility plant in service at the end of the test year	\$ 1,239,313
7.	Less: Accumulated depreciation	<u>(743,154)</u>
8.	Net Utility Plant in Service	\$ 496,159
9.	Less: Contributions in aid of construction	<u>-</u>
10.	Net Applicable Utility Plant	<u>\$ 496,159</u>
11.	Pro forma operating receipts at proposed rates	\$ 270,986
12.	Less: Operating expenses	(219,291)
13.	Payment in lieu of taxes	-
14.	Depreciation expense (1)	<u>(8,435)</u>
15.	Net utility operating income	\$ 43,260
16.	Divided by net applicable utility plant	<u>496,159</u>
17.	Rate of Return Requested	<u>8.72%</u>

- (1) Depreciation expense should be the Utility Plant in Service at the end of the test year, less land and other non-depreciable property, multiplied by the utility's approved depreciation rate. This rate is generally 2.0% for utilities which purchase their water and 2.5% for utilities that treat their own water. Please show your calculation.

Net utility plant in service	\$ 496,159
Times 1.70% composite depreciation rate	<u>1.70%</u>
Annual allowance for replacements and improvements	<u>\$8,435</u>

**INDIANA UTILITY REGULATORY COMMISSION**

**GENERAL INSTRUCTIONS AND FORMS**

**FOR**

**SMALL MUNICIPAL WATER UTILITY**

**RATE CASE**

**ENGINEERING SECTION**

### GENERAL INSTRUCTIONS

The following forms have been developed by the I.U.R.C. Water Section of the Engineering Division. The purpose of these forms is to provide the I.U.R.C. with the general information required to assist in the processing of Small Water and Sewer company rate cases.

In general, the information provided on completed forms should reflect test year data. It is in the best interest of those involved that the information provided be complete and accurate.

A tariff incorporating the proposed rates must be included as a part of the filing. The proposed tariff should include recurring rates and all non- recurring charges.

## GENERAL INFORMATION

COMPANY NAME	Town of Ogden Dunes Water Works		
CONTACT PERSON	James Kopp	TELE NO.	219-762-2441
MAILING ADDRESS	115 Hillcrest Road Ogden Dunes, IN 46368		
CERTIFIED OPERATOR	James Kopp	NO.	058094
GRADE	DSL	EXPIRATION DATE	June 30, 2008
NO. CUSTOMERS	624		
RESIDENTIAL	615		
COMMERCIAL	9		
INDUSTRIAL			
IS INCREASE ACROSS THE BOARD? (if no, justification such as cost of service study must be supplied.) Yes			
ARE NON-RECURRING CHARGES BEING REVISED? (if yes, cost justification must be supplied) No			
COMPOSITE DEPRECIATION RATE (if other than composite, supply details) 1.70%			
AUTHORITY FOR CURRENT DEPRECIATION RATE (commission order date).			
IS THE DEPRECIATION RATE BEING CHANGED IN THIS PROCEEDING? (if yes, supply justifications, such as the depreciation study, supporting the change) No			

# FACILITIES DESCRIPTION

## SOURCE OF SUPPLY

Indiana American Water Company

Point of Delivery = Hillcrest Road at Conrail Tracks

## DISTRIBUTION SYSTEM

SIZE (INCHES)

LENGTH (FEET)

## NUMBER OF HYDRANTS

PUBLIC

66

PRIVATE

0

## STORAGE FACILITIES

TYPE

CAPACITY

## TREATMENT PLANT DESCRIPTION INCLUDING CAPACITIES



## WATER LOSS

[illegible]

# **CALCULATION OF REQUIREMENT FOR EXTENSIONS AND REPLACEMENTS** **HISTORICAL ANNUAL EXTENSIONS & REPLACEMENTS**

TEST YEAR

BEGIN :            MON June            YR 2005

ENDING:           MON May            YR 2006

	AMOUNT
TEST YEAR	<u>\$194,698</u>
PROCEEDING 12 MONTHS	<u>15,349</u>
PROCEEDING 6 MONTHS	<u>7,197</u>
TOTAL	<u>217,244</u>
LESS: AMOUNTS COLLECTED FROM CONNECTION CHARGE, EXTENSIONS CHARGES, ETC	<u>(8,886)</u>
LESS: IMPROVEMENTS FUNDED BY DEBT	<u>0</u>
PLUS: AMORTIZABLE PORTION OF NON RECURRING ITEMS NOT FUNDED BY DEBT	<u>0</u>
PLANT EXTENSIONS & IMPROVEMENTS FUNDED THROUGH REVENUES	<u>\$208,358</u>
DIVIDED BY TWO AND ONE HALF YEARS: / 2.5	<u>/ 2.5</u>
AVERAGE ANNUAL EXTENSIONS AND REPLACEMENTS	<u>\$83,343</u>

## CALCULATION OF REQUIREMENT FOR EXTENSIONS AND REPLACEMENTS

**CAPITAL IMPROVEMENT PLAN** (To be completed if future extensions and replacements to plant are expected to vary significantly from the historical average calculated previously. Improvements should be planned for the next three years and cost estimates or bids obtained from material suppliers, contractors or consulting engineers should be attached.)

<u>DESCRIPTION OF IMPROVEMENT</u>	<u>PROJECTED COSTS</u>			
	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>TOTAL</u>
Fire hydrant replacement - 1961 hydrants (22 @ \$5,500 each)				\$ 121,000
Roof replacement				20,000
Professional engineering services				6,000
Manual meter replacement - 10 years and older (500 @ \$150 each)				75,000
Fire hydrant replacement - 1974 hydrants (10 @ \$5,500 each)				55,000
System valves (10 @ \$4,500 each)				45,000
New vehicle				25,000
Less: Cash on hand applied				(73,431)
TOTALS	\$ -			\$ 273,569
DIVIDED BY FIVE YEARS			/ 5	
AVERAGE ANNUAL PROJECTED EXTENSIONS AND IMPROVEMENTS				\$54,714

COMPANY NAME Town of Ogden Dunes Water Works

ADMINISTRATIVE BOARD Town of Ogden Dunes Town Council

**RESOLVES**

- (1) TO ADOPT CAPITAL IMPROVEMENT PROGRAM CERTIFIED BY PROFESSIONAL CONSULTANTS.
- (2) TO ACCEPT RESPONSIBILITY FOR PROVIDING THIS COMMISSION WITH ANNUAL REPORTS ON
- (A) CONSTRUCTING PROGRESS
  - (B) EXPENDITURES
  - (C) WORKING DOCUMENTS FOR SUBSEQUENT YEAR, AND
  - (D) PROGRAM CHANGES, IT BEING UNDERSTOOD THAT ANY PROGRAM CHANGES MUST RECEIVE CONCURRENCE BY THE ENGINEERING DIVISION OF THIS COMMISSION.

SIGNATURE

*Frederic Root Stiles*

SIGNATURE

*B. L. Stiles*

SIGNATURE

*Jensen*

SIGNATURE

*[Signature]*

SIGNATURE

*[Signature]*

DATE

*MAY 7, 2007*



RESOLUTION NUMBER 2007-05

A RESOLUTION AUTHORIZING APPLICATION  
FOR SMALL UTILITY RATE CHANGE

WHEREAS, the Town of Ogden Dunes Water Utility is a municipal water utility that serves fewer than 5,000 customers to which it provides primarily retail water services; and

WHEREAS, it has been determined that said utility should apply for a small utility rate change by submitting an application with the Rates Division of the Indiana Utility Regulatory Commission;

NOW THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Ogden Dunes, Indiana that it authorizes and directs that a complete small utility rate change application form be filed with the Indiana Utility Regulatory Commission, Rates Division, so that it might approve a rate change in accordance with the small utility rate change procedure as provided for in I.C. 8-1-2-61.5 and 170 IAC 14-1-1 et seq.

IT IS FURTHER RESOLVED that the Town's financial advisor, Umbaugh, is hereby authorized to do all things necessary to carry out the intent of this resolution and more specifically, to prepare and file the application provided for hereinabove.

It is intended that a copy of this Resolution shall be filed with the application for rate change as provided for the 170 IAC 14-1-2 (4).

REPEALER: All resolutions or parts of resolutions in conflict herewith are hereby repealed.

SEVERABILITY: Any provision herein contained which is found by a court of competent jurisdiction to be unlawful or which by operation shall be inapplicable, shall be deemed omitted but the rest and remainder of this resolution, to the extent feasible, shall remain in full force and effect.

EFFECTIVE DATE: This resolution shall be in full force and effect upon passage.

ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF OGDEN DUNES, INDIANA  
THIS 7 DAY OF MAY, 2007.

Judith Root Stiles  
Mark F. Smith  
John L. Smith  
John L. Smith  
John L. Smith  
John L. Smith

ATTEST:

Muri Englund



LEGAL NOTICE OF FILING FOR A CHANGE IN WATER RATES  
BY THE TOWN OF OGDEN DUNES  
Ogden Dunes, Indiana

Notice is hereby given that on May 16, 2007 the Town of Ogden Dunes (the "Utility"), Indiana, filed with the Indiana Utility Regulatory Commission for an increase in its schedule of rates and charges of approximately 28% for water sold to its customers.

The Utility has filed its application for a rate change under IC 8-1-2-61.5 without the necessary costs of a utility regulatory commission hearing; however, a public hearing by the utility regulatory commission will be held if any public or municipal corporation, ten (10) individuals, firms, corporations, or associations, or ten (10) complainants of all or any of these classes affected by the proposed rate change or the utility consumer counselor requests a formal public hearing by filing a written signed request with the Secretary, Utility Regulatory Commission, Indiana Government Center South, 302 West Washington Street, Suite E – 306, Indianapolis, IN 46204. Such request must be filed with the Utility Regulatory Commission within forty (40) days of the date the application for rate change was filed with the Utility Regulatory Commission. There will likely be no hearing on this matter in the absence of a written request for such hearing.





**TOWN OF OGDEN DUNES, INDIANA**

**SCHEDULE OF WATER UTILITY RATES AND CHARGES**  
(Pursuant to Order in IURC Cause No. \_\_\_\_ approved \_\_\_\_)

**Quarterly Usage Rates**

First 12,000 gallons	\$4.48 per 1,000 gallons
Next 12,000 gallons	\$3.37 per 1,000 gallons
Next 30,000 gallons	\$2.87 per 1,000 gallons
Over 54,000 gallons	\$2.62 per 1,000 gallons

**MINIMUM METER RATE**

The minimum quarterly payment shall be \$38.39 per meter, regardless of the meter size.

**FIRE PROTECTION SERVICE CHARGE**

Fire protection service shall be added to the basic rate of all customers of the waterworks and recovered based on meter size: 5/8" x 3/4", \$13.04; 1-inch, \$18.27; 1 1/2 inch, \$23.48; 2-inch, \$37.82, per quarter.

**TAPPING CHARGE**

The Ogden Dunes Water Board requires new taps to be a minimum 1-inch line with a minimum 1-inch meter. All tap connections shall be charged on a time and material cost basis. Also see Ordinance No. 543 for written application requirements.

**PAYMENT**

All bills on the above schedule shall be rendered and due quarterly. A \$2.50 penalty for late payment shall be charged. A \$10.00 charge for returned checks.

**DISCONTINUANCE OF SERVICE**

Whenever service is turned on or turned off at the request of the customer more often than once in a 12-month period, a charge of \$10.00 shall be made by the Waterworks.

**RECONNECTION CHARGE**

When a customer's service is turned off for non-payment of a water bill and re-establishment of service is required, a charge of \$35.00 shall be made prior to re-establishment of service.

**TEMPORARY SHUT OFF**

Any user desiring for his convenience a shutting off of the water supply to his premises for a period of thirty (30) days or more may make application therefore to the Town Clerk Treasurer at least fifteen (15) days prior to the date on which he desires the water shut off, specifying the date on which the supply is to be turned off and the approximate period during which service is to be suspended. When any such user desires his water service reinstated again, he shall make application therefore to the Town Clerk Treasurer at least fifteen (15) days prior to the date on which he desires the water to be turned on. A charge of \$6.90 shall be made for each act of disconnecting or reinstating the water service at the request of any such user and there shall be a minimum charge of \$3.45 per month during the period of suspended service, which period may not exceed six (6) months during any one calendar year.